

NEWS

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CONSUMER PRICE INDEX FOR ATLANTA—AUGUST 2001

The Consumer Price Index for All Urban Consumers (CPI-U) for Atlanta declined 0.5 percent over the two months ended in August, not seasonally adjusted, to a level of 176.9 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Janet S. Rankin announced that for the 12-month period ended in August, the CPI-U for Atlanta increased 2.8 percent.

Over the two months, the all items index reflected lower costs for housing and apparel, offsetting an increase in the education and communication index. The two-month decline was the first decrease registered by the all items index in the current calendar year, which had steadily risen over the first six months of 2001. Since December 2000, the index has increased 2.9 percent compared to a 3.0 percent increase for the comparable period in calendar year 2000.

Among the special indexes compiled, energy costs declined 8.5 percent, as lower prices for gasoline and utility natural gas service offset higher electricity costs. The food index recorded a 0.1 percent drop over two months after declining a sharper 0.4 percent in the May-June pricing period. Excluding food and energy, the CPI-U for Atlanta increased 0.3 percent since June 2001.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for Atlanta by expenditure category (not seasonally adjusted).

Expenditure category	Percentage change	
	Over 12 months since August 2000	Over 2 months since June 2001
All items	2.8	-0.5
Food and beverages	4.6	-0.1
Housing	4.1	-0.1
Apparel	-8.6	-3.6
Transportation	-0.4	-3.2
Medical care	3.8	-0.4
Recreation 1/	3.5	2.1
Education and communication 1/	4.7	3.0
Other goods and services	5.8	0.6

1/ Index on a December 1997=100 base.

Among the major index groups, the food and beverages index dropped 0.1 percent over the past two months after dropping 0.3 percent decline in the May-June pricing period. The index's decline reflected a 0.5 percent drop in the costs for food at home, and declined despite a 0.3 percent rise in the cost for food away from home. The alcoholic beverages index increased 0.7 percent over the two months. Since August 2000, the food and beverages index has risen 4.6 percent.

Housing costs showed a slight decline, dropping 0.1 percent over the most recent two months, after advancing 1.9 percent during May and June. The drop was due to lower costs for fuel and utilities and offset a 0.7 percent rise in the cost of shelter. The fuel and utilities index declined 4.1 percent, as prices decreased 13.2 percent for utility natural gas, while electricity prices climbed 1.1 percent. Since August 2000, prices for utility natural gas service have risen 13.4 percent, while electricity prices have advanced 5.0 percent in the Atlanta area. Overall, housing costs have risen 4.1 percent since August 2000.

The apparel index recorded a 3.6 percent decline over the past two months, after dropping 7.7 percent in the May-June period. Since April 2001, the index has dropped over 11 percent compared to a 6.5 percent drop for the same four-month period in 2000. Since August 2001, the index has decreased 8.6 percent.

Transportation costs dropped 3.2 percent after rising 1.4 percent in the previous pricing period. Lower gasoline costs contributed to the transportation index's fall, as gasoline costs decreased 13.7 percent over the two months. With the most recent decline, the gasoline index has fallen 11.1 percent since August 2000, while the overall transportation index has declined 0.4 percent.

Other indexes reported include the medical care index that declined 0.4 percent in July-August after advancing 0.3 percent in the May-June pricing period. Consumers' costs for medical care in the Atlanta area now stand 3.8 percent higher than they were in August 2000. Recreation costs again reversed their course, advancing 2.1 percent over the most recent two months. The index has recorded large swings, rising 2.3 percent in the March-April period, then dropping 2.3 percent in the May-June period. The recreation index now stands 3.5 percent above the level recorded in August 2000. Costs for education and communication rose 3.0 percent after recording a small decline in the period from March through June. The index has moved up 4.7 percent over the past 12 months. The other goods and services index rose 0.6 percent, compared to a 3.2 percent increase in the May-June pricing period. Since August 2000, the index has advanced 5.8 percent.

Consumer Price Index for the South and Miami-Fort Lauderdale

Consumer price indexes are published monthly for the South and bi-monthly for the Atlanta and Miami-Fort Lauderdale areas. For the two months ending in August, consumer prices in the Atlanta area decreased at a faster pace than for the South and Miami-Fort Lauderdale. Since June 2001, CPI-U for the South has declined 0.4 percent and Miami-Fort Lauderdale was unchanged. With the most recent changes, over the past year, consumer prices in Atlanta rose faster than in the South (2.1 percent) and slower than in the Miami-Fort Lauderdale area (3.0 percent).

Technical Notes

For the Atlanta area, collection has been expanded to allow for bi-monthly publication of data. Prior to 1998, Atlanta data were available for only the first and second halves of the year and as an annual average. In each revision, the CPI geographic sample is selected to be representative of the current demographics of the United States. The 1998 revision utilizes the 1990 Census of population. The CPI developed an updated area sample design, decided on new local area indexes and changed the frequency of publication for local area indexes in order to better reflect these new demographics.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro4news.htm>. Our CPI homepage (<http://www.bls.gov/cpihome.htm>) has articles on the 1998 CPI Revision from the December 1996 *Monthly Labor Review*. CPI data are also available through our fax-on-demand system. Table 1 for the CPI-U, South may be found under Code 9110. Data in this table are updated monthly and are available on the day of release. For a catalog of items available to be faxed to you, call our fax-on-demand number at (404) 331-3403. If you have additional questions, you can contact the Atlanta information office directly by dialing (404) 331-3415, and customers in the Miami area can reach us at (305) 358-2305.

Revisions to the Consumer Price Indexes

Users should be aware that CPI data were revised to correct an error in the residential rent and owners' equivalent rent components. Indexes were revised for both the CPI-U and CPI-W for the period January 2000 through August 2000. For more information, contact the Atlanta information office.

Change in the Consumer Price Index Formula

On April 16, 1998, the Bureau of Labor Statistics announced its decision to use a new formula for calculating the basic components of the Consumer Price Index for all Urban Consumers (CPI-U) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This change became effective with data for January 1999.

The new formula, the geometric mean estimator, is used in index categories that comprise approximately 61 percent of total consumer spending represented by the CPI-U. The remaining index categories will continue to be calculated as they have been. Based upon BLS research, it is expected that new formula will reduce the annual rate of increase in the CPI by approximately 0.2 percentage point per year.

The geometric mean estimator was introduced in both the CPI-U and the CPI-W effective with data for January 1999, in accord with the past practice of introducing methodological changes at the beginning of a calendar year. BLS will continue to publish "overlap" CPI-U and CPI-W series using the current calculation method for the first six months of 1999. These indexes will not be published regularly for months subsequent to June 1999, but will be available upon request. Additional information on this change was published in the April 1998 CPI Detailed Report and is available on the Internet (<http://www.bls.gov/cpihome.htm>).

Table 1. Consumer Price Index for all urban consumers and urban wage earners and clerical workers, Atlanta, Georgia, (1982-84=100), Not seasonally adjusted

Group	All urban consumers			Urban wage earners and clerical workers		
	Index Aug 2001	Percent change to Aug 2001 from		Index Aug 2001	Percent change to Aug 2001 from	
		Aug 2000 : June 2001			Aug 2000 : June 2001	
All items	176.9	2.8	-0.5	174.2	2.7	-0.7
All items (1967=100)	533.6	-	-	526.7	-	-
Food and beverages	180.1	4.6	-0.1	179.3	4.9	0.1
Food	185.5	4.9	-0.1	183.8	5.0	0.0
Food at home	180.7	5.2	-0.5	177.1	5.5	-0.2
Food away from home	193.8	4.3	0.3	195.5	4.3	0.3
Alcoholic beverages	133.9	2.3	0.7	131.9	3.0	0.6
Housing	181.1	4.1	-0.1	178.4	4.4	-0.1
Shelter	199.5	4.1	0.7	193.7	4.3	0.6
Rent of primary residence	202.5	5.9	0.8	202.5	5.9	0.8
Owners' equivalent rent 1/	192.3	3.6	0.5	179.0	3.6	0.4
Fuel and utilities	181.5	7.2	-4.1	181.7	7.0	-3.7
Fuels	172.2	8.0	-5.0	172.1	7.6	-4.4
Gas (piped) and electricity	174.1	8.1	-4.9	173.3	7.8	-4.4
Electricity	169.2	5.0	1.1	169.2	5.0	1.1
Utility natural gas service	187.7	13.4	-13.2	187.7	13.4	-13.2
Household furnishings and operation	129.7	0.9	1.1	132.9	1.6	1.5
Apparel	119.1	-8.6	-3.6	115.3	-9.9	-3.8
Transportation	137.6	-0.4	-3.2	135.6	-1.1	-3.5
Private transportation	137.2	-0.8	-3.2	134.2	-1.3	-3.5
Motor fuel	109.5	-11.0	-13.6	109.5	-11.0	-13.6
Gasoline (all types)	108.8	-11.1	-13.7	108.8	-11.1	-13.7
Regular unleaded 2/	105.8	-11.7	-14.7	105.8	-11.7	-14.7
Midgrade unleaded /2 /3	132.2	-10.8	-13.5	132.2	-10.8	-13.5
Premium unleaded 2/	115.1	-9.9	-11.5	115.1	-9.9	-11.5
Medical care	276.9	3.8	-0.4	270.7	3.1	-0.3
Recreation 4/	107.6	3.5	2.1	102.1	2.6	1.4
Education and communication 4/	108.8	4.7	3.0	108.3	4.9	2.8
Other goods and services	267.3	5.8	0.6	289.5	6.3	0.1
SPECIAL AGGREGATE INDEXES						
Commodities	144.1	0.1	-1.8	145.0	4.3	-1.8
Commodities less food and beverages	125.6	-2.4	-2.7	126.9	-2.5	-3.1
Nondurables less food and beverages	134.0	-3.2	-4.3	139.7	-3.5	-5.0
Durables	115.4	-1.5	-0.9	116.3	-1.4	-0.9
Services	209.6	4.6	0.3	208.0	4.8	0.2
All items less medical care	170.9	2.8	-0.5	168.9	2.7	-0.7
All items less shelter	169.9	2.3	-1.0	168.8	2.1	-1.2
Commodities less food	125.7	-2.3	-2.6	127.1	-2.3	-2.9
Nondurables	156.1	0.8	-2.1	159.2	1.0	-2.3
Nondurables less food	133.4	-2.9	-4.0	139.0	-3.1	-4.6
Energy	130.8	-0.3	-8.5	130.8	-1.3	-8.7
All items less energy	183.3	3.2	0.3	180.4	3.1	0.2
All items less food and energy	183.4	2.8	0.3	180.1	2.7	0.2
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.565	-	-	\$.574	-	-
1967=\$1.00	\$.187	-	-	\$.190	-	-

1/ Index is on a December 1982=100 base.

3/ Indexes on a December 1993=100 base.

2/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1997=100 base.

- Data not available.

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For more information, call (404) 331-3415.